

Michigan

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2001 (In Thousands)

	BUSINESS-TYPE ACTIVITIES -- ENTERPRISE FUNDS				
	MAJOR		NON-MAJOR	TOTALS	GOVERNMENTAL ACTIVITIES -- INTERNAL SERVICE FUNDS
	STATE LOTTERY FUND	MICHIGAN UNEMPLOYMENT COMPENSATION FUNDS	LIQUOR PURCHASE REVOLVING FUND	SEPTEMBER 30, 2001	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from federal and local agencies	\$ -	\$ 27,770	\$ -	\$ 27,770	\$ -
Receipts from customers	1,631,473	11,263	592,082	2,234,818	1,074,760
Payments to employees	(12,557)	(2,694)	(14,299)	(29,551)	(49,926)
Payments to suppliers	(39,587)	-	(465,528)	(505,115)	(385,061)
Payments to prize winners	(962,928)	-	-	(962,928)	-
Payments for commissions to retailers	(143,259)	-	-	(143,259)	-
Claims paid	-	(1,468,890)	-	(1,468,890)	(545,048)
Other receipts	-	1,010,073	-	1,010,073	2,006
Other payments	-	-	(1,517)	(1,517)	(16,482)
Net cash provided (used)					
by operating activities	\$ 473,142	\$ (422,478)	\$ 110,737	\$ 161,401	\$ 80,250
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Loans or loan repayments from other funds	\$ -	\$ -	\$ -	\$ -	\$ 4,427
Loans or loan repayments to other funds	-	-	-	-	(5,427)
Specific tax on spirits	-	-	10,419	10,419	-
Transfers to other funds	(588,377)	(12,856)	(127,393)	(728,626)	(244)
Net cash provided (used)					
by noncapital financing activities	\$ (588,377)	\$ (12,856)	\$ (116,974)	\$ (718,207)	\$ (1,244)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	\$ (109)	\$ -	\$ -	\$ (109)	\$ (31,394)
Principal paid on bond and loan maturities	-	-	-	-	(6,881)
Interest paid	-	-	-	-	(219)
Capital lease payments					
(including imputed interest expense)	-	-	-	-	(8,089)
Proceeds from sale of capital assets	1	-	-	1	541
Net cash provided (used) by capital					
and related financing activities	\$ (108)	\$ -	\$ -	\$ (108)	\$ (46,041)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale and maturities					
of investment securities	\$ 110,458	\$ 245,660	\$ -	\$ 356,118	\$ -
Interest and dividends on investments	4,184	194,331	4,248	202,763	11,410
Income from securities lending activities	11,405	-	-	11,405	-
Expenses from securities lending activities	(10,648)	-	-	(10,648)	-
Net cash provided (used)					
by investing activities	\$ 115,400	\$ 439,991	\$ 4,248	\$ 559,638	\$ 11,410
Net cash provided (used) - all activities	\$ 56	\$ 4,657	\$ (1,989)	\$ 2,725	\$ 44,375
Cash and cash equivalents					
at beginning of year	5,846	83,647	54,240	143,734	86,499
Cash and cash equivalents					
at end of year	\$ 5,902	\$ 88,304	\$ 52,252	\$ 146,458	\$ 130,873

The accompanying notes are an integral part of the financial statements.

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	BUSINESS-TYPE ACTIVITIES -- ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES -- INTERNAL SERVICE FUNDS
	MAJOR		NON-MAJOR	TOTALS	
	STATE LOTTERY FUND	MICHIGAN UNEMPLOYMENT COMPENSATION FUNDS	LIQUOR PURCHASE REVOLVING FUND	SEPTEMBER 30, 2001	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 586,675	\$ (435,824)	\$ 112,726	\$ 263,577	\$ 43,289
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	242	-	-	242	37,576
Amortization of pre-paid expense	-	-	-	-	93
Amortization of prize award obligation discount	(53,080)	-	-	(53,080)	-
Other reconciling items	103	-	-	103	21
Net changes in assets and liabilities:					
Inventories	180	-	(383)	(204)	(1,302)
Other assets (net)	(922)	9,375	(720)	7,733	(4,070)
Accounts payable and other liabilities	(244)	4,036	(883)	2,909	4,644
Prize awards payable	(59,812)	-	-	(59,812)	-
Deferred revenue	-	(65)	(2)	(67)	-
Net cash provided (used) by operating activities	<u>\$ 473,142</u>	<u>\$ (422,478)</u>	<u>\$ 110,737</u>	<u>\$ 161,401</u>	<u>\$ 80,250</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Cost of capital assets acquisitions financed by capital leases	\$ -	\$ -	\$ -	\$ -	\$ 19,335
Capital lease liabilities entered into during the year	-	-	-	-	(19,335)
Increase (decrease) in fair value of investments	44,829	-	-	44,829	-
Transfers to other funds (accrual)	(9,009)	-	-	(9,009)	-
Gain (loss) on disposal of capital assets	(31)	-	-	(31)	(3,118)
Total noncash investing, capital, and financing activities	<u>\$ 35,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,789</u>	<u>\$ (3,118)</u>